

Message Text

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ACTION ARA-14

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TO SECSTATE WASHDC 9580
INFO AMEMBASSY LIMA
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AMEMBASSY SANTIAGO
DIA WASHDC
USCINCSO QUARRY HTS CZ/J-2

C O N F I D E N T I A L SECTION 1 OF 2 LA PAZ 1581

FOR: DEPARTMENT OF LABOR - DAN LAZORCHICK

E.O. 11652: GDS
TAGS: ELAB, BL
SUBJ: BOLIVIAN MODERATES WINNING TRADE UNION ELECTIONS

REF: LA PAZ 0733

1. SUMMARY: ONLY ABOUT 20 PERCENT OF BOLIVIA'S TRADE UNIONS
HAVE HELD THEIR ELECTIONS IN THE MONTH SINCE THE GOB RESTORED
TRADE UNION FREEDOMS. IN THE GREAT MAJORITY OF THESE
ELECTIONS, POLITICAL MODERATES, MOSTLY AFFILIATED WITH THE
MNR, HAVE BEEN ELECTED. HOWEVER, IN THE TWO LARGEST
AND MOST IMPORTANT MINES, SIGLO XX AND CATAVI, WHERE THE
EXTREME LEFT HAS ITS GREATEST INFLUENCE, ELECTIONS HAVE
NOT YET BEEN HELD. THE LABOR MOVEMENT IS EXPECTED TO BE
FULLY OCCUPIED WITH THE ELECTIONS THROUGH THE CONFEDERATION
LEVEL UNTIL APRIL. PROBABLY BEGINNING IN MAY AND JUNE THE
UNIONS ARE EXPECTED TO PRESENT THEIR DEMANDS FOR LARGE
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WAGE INCREASES. HOWEVER, BETWEEN GOB WILLINGNESS TO ACCEDE TO
REASONABLE WAGE INCREASES AND THE DESIRE OF MANY MODERATE
LABOR LEADERS NOTTO JEOPARDIZE THEIR RECENTLY RESTORED
TRADE UNION FREEDOMS AND THE ELECTION PROCESS, A MAJOR
CONFRONTATION BETWEEN THE GOB AND THE BOLIVIAN LABOR MOVEMENT
MAY NOT OCCUR BEFORE THE JULY ELECTIONS. PERHAPS CRITICAL
TO THE PROSPECT OF AVOIDING A CONFRONTATION WILL BE THE

ROLE TO BE PLAYED BY RECENTLY RETURNED LEFTIST LABOR LEADER JUAN LECHIN OQUENDO, WHOSE TRADITIONAL STRENGTH IS IN THE MINING SECTOR. A PROTRACTED MINERS' STRIKE WOULD DAMAGE THE NATIONAL ECONOMY AND JEOPARDIZE ELECTIONS. SO FAR, HOWEVER, IT IS NOT CLEAR THAT LECHIN HAS EITHER THE DESIRE OR THE CAPABILITY TO PROVIDE A MINERS' STRIKE. END SUMMARY.

2. SINCE THE GOB'S DECISION ON JANUARY 24, 1978 TO RESTORE FULL TRADE UNION FREEDOMS (REFTEL) THE UNION ELECTION PROCESS HAS PROCEEDED RELATIVELY SMOOTHLY ALBEIT SLOWLY. THE GOB INITIALLY ALLOTTED 30 DAYS FOR LOCAL UNION ELECTIONS, 60 DAYS FOR FEDERATION ELECTIONS AND 90 DAYS FOR CONFEDERATION AND NATIONAL FEDERATION ELECTIONS. HOWEVER, TO DATE ONLY ABOUT 20 PERCENT OF THE LOCAL UNIONS HAVE HELD THEIR ELECTIONS AND SOME LOCAL ELECTIONS ARE NOT SCHEDULED UNTIL MID-MARCH.

3. FROM THE ELECTION RESULTS PRESENTLY AVAILABLE, SOME TRENDS ARE EVIDENT. IN THE CONTEST BETWEEN THE BOLIVIAN EXTREME LEFT (PRO-MOSCOW COMMUNISTS, PRO-PEKING COMMUNISTS, TROSKITES, ETC) AND THE MODERATES (MOST OF WHOM ARE AFFILIATED WITH THE MNR), THE MODERATES HAVE BEEN WINNING HANDILY. ONE SCORECARD, BELIEVED TO BE REASONABLY ACCURATE, HAS THE MNR MODERATES WINNING 75 PERCENT OF THE ELECTIONS THUS FAR HELD, WITH 15 PERCENT CONFIDENTIAL

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GOING TO THE EXTREME LEFT AND 10 PERCENT TO OTHERS, INCLUDING INDEPENDENTS. THIS TREND IS EXPECTED TO CONTINUE. (THE MNR IN THIS CONTEXT REFERS TO THE PARTY AS A WHOLE, SINCE IT IS BELIEVED THAT MOST LABOR LEADERS HAVE NOT ALLIED THEMSELVES WITH ANY PARTICULAR FACTION WITHIN THE MNR).

4. IN THE KEY MINING SECTOR ONLY ONE LARGE MINE, HUANUNI, HAS HELD ELECTIONS. THERE THE WINNING SLATE CONSISTED OF TWO MNR LOYALISTS, INCLUDING ONE WHO IS A FORMER AIFLD INSTRUCTOR. ACCORDING TO THE SUB-SECRETARY OF LABOR, SIX SMALLER MINES HAVE ALSO HELD ELECTIONS AND THE MNR WON ALL SIX. MOST OBSERVERS BELIEVE THAT MODERATE LABOR LEADERS, MOSTLY LOYAL TO THE MNR, WILL WIN THE LARGE MAJORITY OF THE ELECTIONS IN THE SMALL AND MEDIUM MINES. HOWEVER, IN THE LARGEST AND MOST IMPORTANT MINES IN BOLIVIA, PARTICULARLY CATAVI AND SIGLO XX, THE EXTREME LEFT IS EXPECTED TO PREVAIL. (SINCE MANY LEFTIST LABOR LEADERS HAVE STILL NOT RETURNED TO BOLIVIA FROM EXILE, THE GOB IS TRYING TO SPEED UP THE ELECTION PROCESS, PARTICULARLY IN THE MINES, IN AN EFFORT TO HELP ELECT MORE OF THE MODERATE LABOR LEADERS).

5. THE ONLY OTHER SECTOR IN WHICH THE EXTREME LEFT IS EXPECTED TO DEMONSTRATE ANY STRENGTH IS THAT OF THE FACTORY WORKERS (FABRILES). THERE THE LEFT HAS THUS FAR, ACCORDING TO ONE SOURCE, WON EIGHT OF TWENTY-SIX ELECTIONS, WHILE THE MNR HAS WON SIXTEEN OF OTHERS TWO. IN THE OTHER IMPORTANT SECTORS OF RAILROAD WORKERS, CONSTRUCTION WORKERS AND PETROLEUM WORKERS, MNR AFFILIATED MODERATES ARE EXPECTED TO PREVAIL. ONLY AMONG THE TEACHERS AND THE INDEPENDENT TRANSPORT WORKERS IS THE FALANCE SOCIALIST PARTY (FSB) EXPECTED TO DEMONSTRATE ANY STRENGTH.

6. AS EXPECTED, THE GOVERNMENT - APPOINTED LABOR COORDINATORS HAVE BEEN FARING POORLY IN MOST SECTORS AND ONLY A VERY SMALL MINORITY HAVE BEEN ELECTED. THE BANKWORKERS ARE CONFIDENTIAL

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THE ONLY EXCEPTION TO THE FOREGOING BECAUSE THEIR COORDINATORS WERE ALL "ELECTED" AT UNOFFICIAL ASSEMBLIES AND THEN WERE SIMPLY RATIFIED IN THEIR POSITION BY THE GOB. MOREOVER, UNLIKE THE OTHER LABOR SECTORS, THE BANKWORKERS HAD GOB PERMISSION TO NEGOTIATE ANNUAL WAGE INCREASES (SEE BELOW).

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C O N F I D E N T I A L SECTION 2 OF 2 LA PAZ 1581

FOR: DEPARTMENT OF LABOR - DAN LAZORCHICK

7. IT IS EXPECTED THAT THE ELECTION PROCESS WILL EXTEND INTO APRIL AND POSSIBLY INTO MAY AND THAT DURING THIS PERIOD THE LABOR SCENE WILL BE RELATIVELY TRANQUIL WHILE THE UNIONS REORGANIZE THEMSELVES AND THE NEWLY-ELECTED LABOR LEADERS SETTLE IN. HOWEVER, SHORTLY THEREAFTER, PROBABLY BEGINNING IN MAY OR JUNE, THE UNIONS ARE EXPECTED TO PRESENT DEMANDS FOR LARGE WAGE INCREASES AS THEY TRY TO RECOUP THE PURCHASING POWER THEY HAVE LOST IN RECENT YEARS.

8. SINCE THE VOB RESTRICTED TRADE UNION FREEDOMS IN NOVEMBER 1974, THE GREAT MAJORITY OF TRADE UNIONISTS HAVE RECEIVED ONLY SPORATIC WAGE INCREASES. CONSEQUENTLY, MOST OF THE UNIONS ARE EXPECTED TO DEMAND WAGE INCREASES OF 50 TO 100 PERCENT AND MORE, AND SINCE THE GOB IS THE PRINCIPAL EMPLOYER IN MANY KEY SECTORS (MINE WORKERS, RAILROAD WORKERS, TEACHERS, ETC) THE DANGER OF

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A CONFRONTATION IS EVIDENT. HOWEVER, THERE ARE THREE FACTORS THAT MAY PERMIT A RESOLUTION OF THE PROBLEM WITHOUT A MAJOR CRISIS DEVELOPING. FIRST, THE GOB IS WELL AWARE THAT IT WILL BE PRESENTED WITH LARGE WAGE DEMANDS AND, ACCORDING TO UNDER SECRETARY OF LABOR DR. FLAVIO DURAN, IT IS PREPARED TO GRANT REASONABLE WAGE INCREASES. THE TEACHERS, WHOM DURAN SAID ARE GROSSLY UNDERPAID AND IN A PARTICULARLY MILITANT MOOD, HAVE ALREADY PRESENTED A PETITION ASKING FOR CLOSE TO A 100 PERCENT WAGE INCREASE. HOWEVER, NEITHER THE GOVERNMENT-NAMED LABOR COORDINATORS IN THE TEACHING SECTOR NOR THE GOB EXPECT ANYTHING TO BE SETTLED UNTIL THE TEACHERS COMPLETE THEIR ELECTION PROCESS IN MARCH OR APRIL. GIVEN THE POLITICAL STRENGTH OF THE FALANGE IN THIS SECTOR AND THE DISTINCT POSSIBILITY THAT THE FALANGE WILL END UP IN OPPOSITION TO THE PEREDA CANDIDACY, DEVELOPMENTS IN THIS SECTOR COULD HAVE AN IMPORTANT EFFECT ON THE ELECTION PROCESS.

9. SECONDLY, ACCORDING TO DURAN, PRESIDENTIAL CANDIDATE JUAN PEREDA WANTS TO WIN THE SUPPORT OF THE MODERATES IN THE LABOR MOVEMENT FOR HIS CANDIDACY. HE HOPES TO BE ABLE TO FORM A "LABOR ALLIANCE" WITH THEM. TO ACCOMPLISH THIS PEREDA AND THE GOB WILL HAVE TO BE FORTHCOMING ON WAGE INCREASES.

10. AND THIRDLY, THE LABOR LEADERS WHO HAVE BEEN ELECTED AND WHO ARE EXPECTED TO BE ELECTED, MOSTLY MODERATES, ARE

AWARE THAT IF THEIR DEMANDS FOR LARGE WAGE INCREASES LEAD TO A MAJOR CONFRONTATION, AND PERHAPS EVEN A GENERAL STRIKE, THEY RISK LOSING THE LABOR FREEDOMS SO RECENTLY RESTORED TO THEM AS WELL AS JEOPARDIZING THE ENTIRE CONSTITUTIONALIZATION PROCESS.

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11. THE OBVIOUS COMPLICATION TO THE ABOVE IS THAT NOT ALL LABOR LEADERS ARE MODERATES. SOME COMMUNIST AND OTHER LEFTISTS HAVE ALREADY BEEN ELECTED AND OTHERS ARE EXPECTED TO BE CHOSEN IN SOME OF THE LARGER FACTORIES AS WELL AS IN THE LARGE MINES MENTIONED ABOVE. CONSEQUENTLY, THE ROLE OF JUAN LECHIN OQUENDO COULD BE PIVOTAL. LECHIN HAS RECENTLY RETURNED FROM SIX YEARS IN EXILE AND IS EXPECTED TO BE RE-ELECTED TO THIS POSITIONS AT THE TOP OF THE CENTRAL OBRERO BOLIVIANO (COB) AND THE FEDERACION SINDICAL DE TRABAJADORES MINEROS DE BOLIVIA (FSTMB). HOW LECHIN WOULD VIEW A MAJOR GOB/LABOR CONFRONTATION IS PRESENTLY UNKNOWN, BUT HE DID GIVE AN INDICATION OF HIS THINKING WHEN, IN RESPONSE TO AN ALLEGATION THAT THE LABOR MOVEMENT WAS READY TO LAUNCH A SERIES OF STRIKES, HE TOLD THE PRESS THAT THE LABOR MOVEMENT WAS NOT ABOUT TO TAKE A PROVOCATIVE OR SUICIDAL ATTITUDE. MOST OBSERVERS THINK THAT LECHIN WAS SERIOUS AND WANTS TO REGAIN HIS POSITION AS UNDISPUTED LEADER OF THE BOLIVIAN LABOR MOVEMENT. A CONFRONTATION WITH THE GOB WOULD OBVIOUSLY JEOPARDIZE THIS. IF HE WANTS, LECHIN COULD USE HIS STILL CONSIDERABLE PRESTIGE AND HIS POSITION AS HEAD OF THE COB TO TRY TO RESTRAIN THE EXTREME LEFT AND THUS AVOID A CONFRONTATION. THE ALTERNATIVE IS A MAJOR CRISIS BETWEEN LABOR AND THE GOVERNMENT THAT COULD JEOPARDIZE BOLIVIA'S RECENTLY RESTORED POLITICAL AND LABOR FREEDOMS AS WELL AS THE ELECTION PROCESS.

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